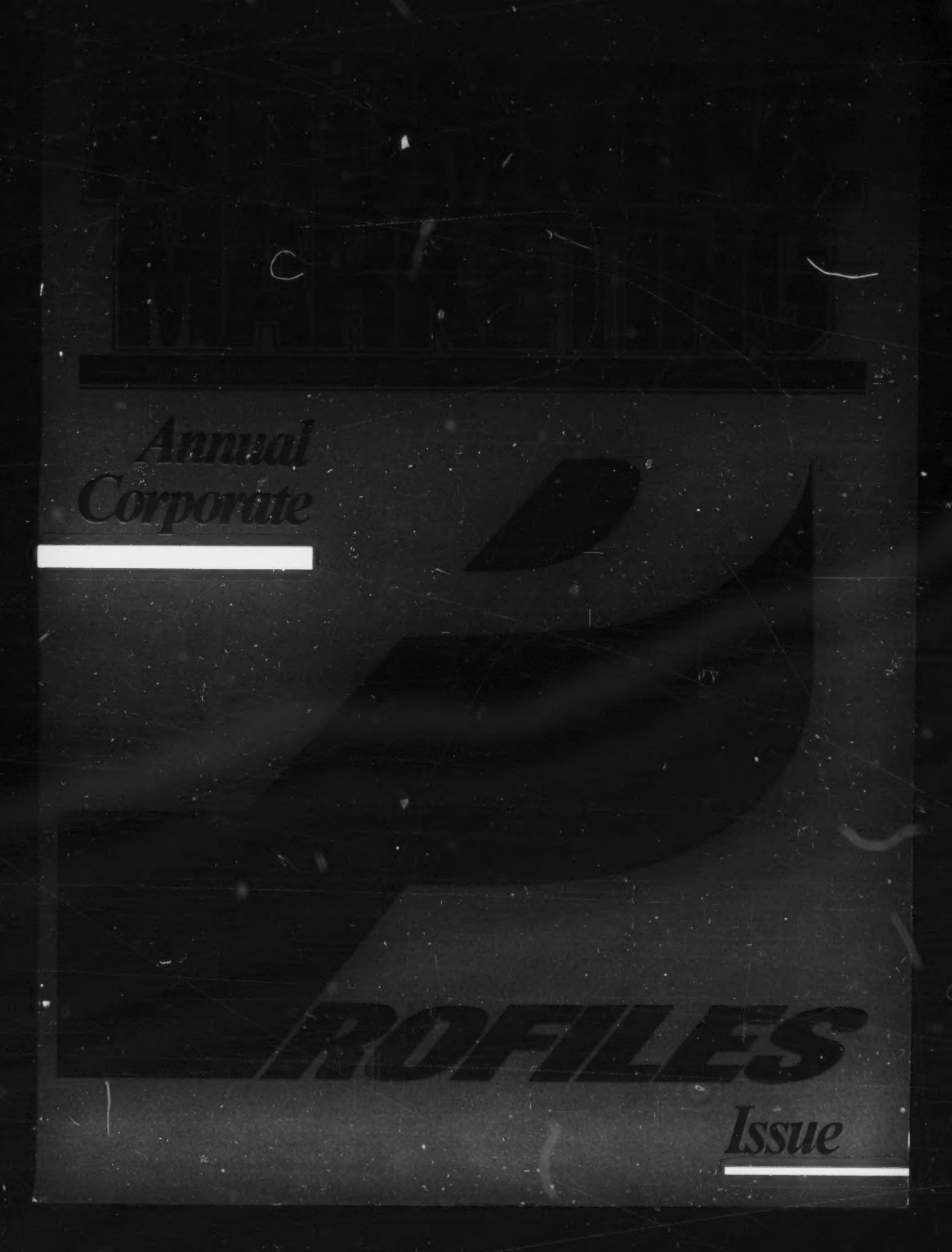
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PUBLISHER'S NOTES

LOOKING TO NEXT YEAR

There are all sorts of things to consider as we enter the last year of the 1980s. Not only what we've achieved, but also those things still on our "do lists" for this exciting decade.

I won't bore you with our *Automotive Marketing* New Year's resolutions. I will promise our continued efforts to bring you the best possible coverage of this changing industry as it affects your bottom line in the automotive parts retailing business.

I do urge you to read each and every corporate profile in this annual issue where our industry's suppliers tell their stories, reveal their marketing plans, and make their forecasts.

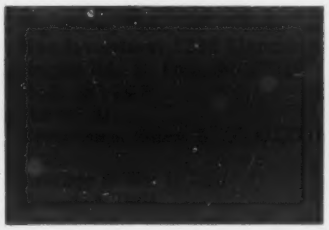
For short-take news, read Detailing The Market. And if you have news for this section, especially news about activity at the retail store level, please send it posthaste to Editor Rosemarie Kilchin. Not only do we want to hear from you, we want to write about your news!

As we look ahead, let's not forget the challenging year behind us. As I look back, I do so with enthusiasm and with appreciation for what I've learned. We're grateful for your continuing interest in and support of Automotive Marketing. Thank you for your interest in our efforts and for keeping AM #1. Without you there would be no "us"! Here's to a most successful 1989! ■

Sarah Frankson
Publisher

DETAILING THE MARKET

IN-STORE FOCUS



"Minnesota's fastest growing auto chain," as this business bills itself, sits in the heart of some of the fiercest competition in the U.S. Close competitors include Champion Auto, Crown Auto, and 10,000 Auto Parts. This privately held, family-owned company has thus far managed to avoid acquisition, something not so common in the retail aftermarket these days.

The company is run by president Dick Shaller, vice president merchandising and advertising Scott Shaller, vice president Rossi Import and computer operations Steve Shaller, vice president sales and operations Jerry Johnson, and vice president administration Frank Solie. Rossi is the firm's division name for its import parts coverage within the Big Wheel/Rossi Auto stores.

So far, Big Wheel/Rossi Auto appears to be meeting that challenge in a positive way. Big Wheel basically serves the Twin Cities area. A second Wisconsin outlet is next on the roster, followed by what Shaller calls "rapid growth" in the company's market area.

"Our plan is to complete our growth in the Twin Cities area," Shaller said. "We think the area can hold about 45 stores. During 1989, we'll continue toward this goal as fast as possible."

But the business will not become stagnant after reaching the 45-store limit, according to Shaller. "We're real close to buying some property outside of Minnesota – our 'mystery market'," Shaller confided. Although he refused to divulge its location, he did say, "We'll be developing a 20-30 store chain in this area, under the same name. It's an area that's less competitive. We feel it's better to go to a metropolitan area where you can open a chain. So that's our next phase – finishing the Twin Cities and moving into another metropolitan market."

Scott Shaller

What is behind such optimism? Shaller insists that the firm's health is based on strong hands-on management that insists on being in stock at all times, and presents pleasant appearing stores manned by well-trained personnel in very convenient locations. "1988 is our best year in sales and profit. Our sales growth is 38%, including four new stores this year."

"We're growing primarily from our profits," he continued. "We have a computerized POS system that's dynamite. We replenish our stores on a weekly basis; each store gets a truck every day with either special orders or inventory requirements."

The firm owns its own distribution center, and will break ground on a larger one this Winter. The present DC is 36,000 sq. ft.; the new unit, more than 70,000 sq. ft., will have expansion capacity to 100,000 sq. ft. Although the firm also buys from local wholesalers, it stocks its stores primarily from its own center.

Product mix at Big Wheel outlets is standard, with the bulk of the business relying on parts. Coverage is given to most imports, including up-scale cars such as Saab and Volvo. Rounding out the mix are accessories, chemicals, some high performance items, some upscale items such as sunroofs and cruise controls, and motor oil. "We sell a lot of motor oil below cost," Shaller said.

All of these items, approximately 13,000 SKUs per store, are jammed into an average store size of 6,000 sq. ft. "We're wizards," laughed Shaller, when asked how they manage to merchandise such a large mix in such a small area. "We stack 'em high and watch 'em buy," he said. "We use standard fixtures. We're not into the racetrack design."

All stores feature a central checkout area which includes a parts counter. Red striping and strong graphics direct customers toward the central area; all aisles lead to it. Motor oil and high volume items are at the rear of the stores; all parts are on the sales floor.

Two of the Big Wheel stores have service bays which are being phased out. Management feels service bays are not profitable unless "you can have a 10 bay shop where you have an on-site service manager to take care of the shop and all the problems that go with it," Shaller said.

Big Wheel's average customer is male, blue collar, 18-54 years old, with most in the 25-34 year-old range. Big Wheel's selection of parts, accessories and chemicals is aimed toward this shopper, whose car may be seven to eight years old.

To help this customer, Big Wheel relies heavily on employee skill. The business fights the usual employee turnover problems with incentives such as an in-store recruitment program, bonus plans, sales contests, and on-going training programs that feature tests and diplomas. Big Wheel uses some of the APAA STAR video training series, and also creates its own videos to train employees.

DETAIL

86%

of American workers commute to their jobs in private motor vehicles, according to the Motor Vehicle Manufacturers Association.

PROFILE: OIL OR GAS ADDITIVE DIYers

Drawing from the 1988 *Automotive Marketing Consumer Automotive Repair Study*, we look at DIYers who purchased and installed oil or gas additives during the year prior to the study.

			Age					Income				Hours Per Month Spent On DIY			
Total	Male	Female	-25	25-34	35-44	45-54	55 +	-$20K	$20-30K	$30-40K	+ 40K	-1 Hrs	1-5 Hrs	6-10 Hrs	11 + Hrs
100.0%	72.9%	27.1%	33.4%	28.8%	14.2%	12.2%	11.0%	27.3%	28.3%	10.9%	28.4%	12.8%	57.2%	20.2%	9.3%